

City of San Bruno

San Bruno, California

*Independent Accountants' Report on
Agreed-Upon Procedures Applied to
Appropriations Limit Schedule*

For the fiscal year ended June 30, 2005

**INDEPENDENT ACCOUNTANTS' REPORT ON LIMITED PROCEDURES
REVIEW OF APPROPRIATIONS LIMIT UNDER ARTICLE XIII B
OF THE CALIFORNIA CONSTITUTION**

To the Honorable Mayor and Members of City Council
of the City of San Bruno
San Bruno, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Schedule of the City of San Bruno (City) for the fiscal year ending June 30, 2005. These procedures, which were agreed to by the City and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*), were performed solely to assist you in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The City management is responsible for the Appropriations Limit Schedule. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed worksheets used by the City to calculate its appropriations limit for the fiscal year ending June 30, 2005, and determined that the limit and annual calculation factors were adopted by resolution of City Council. We also determined that the population and inflation options were selected by a recorded vote of City Council.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit Schedule, we added the prior year's limit to the total adjustments and agreed the resulting amount to the current year's limit.

Finding: No exceptions were noted as a result of our procedures.

3. We agreed the current year information presented in the accompanying Appropriations Limit Schedule to corresponding information in worksheets used by the City.

Finding: No exceptions were noted as a result of our procedures.

4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit Schedule to the prior year appropriations limit adopted by City Council during the prior year.

Finding: No exceptions were noted as a result of our procedures.

To the Honorable Mayor and Members of City Council
of the City of San Bruno
San Bruno, California

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying Appropriation Limit Schedule. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Capricci & Carson

Oakland, California
February 22, 2005

City of San Bruno
Appropriations Limit Schedule
For the fiscal year ending June 30, 2005

	Amount	Source
A. Appropriations Limit for the year ended June 30, 2004	\$ 21,528,101	Prior year (As Restated)
B. Calculation Factors:		
1) Population increase %	1.0196	State Department of Finance
2) Inflation increase %	1.0328	State Department of Finance
3) Total adjustment %	1.0530	B1xB2
C. Annual Adjustment Increase	1,140,989	{{(B3-1)xA}}
D. Other Adjustments		
1) Loss responsibility (-)	-	N/ A
2) Transfer to private (-)	-	N/ A
3) Transfer to fees (-)	-	N/ A
4) Assumed responsibility (+)	-	N/ A
E. Total Adjustments	1,140,989	(C+D)
F. Appropriations Limit for the year ended June 30, 2005	\$ 22,669,090	(A+E)

City of San Bruno
Notes to Appropriations Limit Schedule
For the fiscal year ending June 30, 2005

1. PURPOSE OF LIMITED PROCEDURES REVIEW

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), California governmental agencies are restricted as to the amount of annual appropriations from proceeds of taxes. Effective for years beginning on or after July 1, 1990, under Section 1.5 of Article XIII B, the annual calculation of the appropriations limit is subject to a limited procedures review in connection with the annual audit.

2. METHOD OF CALCULATION

Under Section 10.5 of Article XIII B, for fiscal years beginning on or after July, 1990, the appropriations limit is required to be calculated based on the limit for the fiscal year 1986-87, adjusted for the inflation and population factors discussed in Notes 3 and 4 below.

3. INFLATION FACTORS

A California governmental agency may adjust its appropriations limit by either the annual percentage change in the 4th quarter per capita personal income (which percentage is supplied by the State Department of Finance) or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The factor adopted by the City of San Bruno (City) for fiscal year 2004-05 represents the annual percentage change in per capita personal income.

4. POPULATION FACTORS

A California governmental agency may adjust its appropriations limit by either the annual percentage change of the jurisdiction's own population or the annual percentage change in population of the County where the jurisdiction is located. The factor adopted by the City for fiscal year 2004-05 represents the annual percentage change in population for the City.

5. OTHER ADJUSTMENTS

A California government agency may be required to adjust its appropriations limit when certain events occur, such as the transfer of responsibility for municipal services to, or from, another government agency or private entity. The City had no such adjustments for the year ending June 30, 2005.

6. RESTATEMENT OF BEGINNING BALANCE

Appropriations Limit for the year ended June 30, 2004 has been restated to correct the accumulated rounding errors and agreed to Resolution approved by the City.